



## PRIME MINISTER

FOR MEDIA

SUNDAY, MARCH 15 1981

### ADDRESS TO THE VICTORIAN STATE COUNCIL

Today I want to discuss our priorities to get a perspective on our achievements and look ahead for the next three years. These priorities express our philosophy. They embody our most profound values as a political movement.

A philosophy cannot be mere words. It must guide policy and be expressed in action. Only in that way can the Australian people fully learn what Liberalism means for their way of life, for their families, and for the future of their country. And it is a way of life that the Liberal Party is offering.

We are not just offering dollars and cents, not even just a standard of living. We need to keep that wider perspective clearly in view. In communicating our ideals to the Australian people, the primary responsibility falls on the Parliamentary parties. But every party member has a responsibility to become an ambassador for our cause in the community - to contribute to discussions within the party, and to explain our objectives and achievements to people outside the party.

We must never forget that nobody except the Liberal Party itself will present the Liberal view to the Australian community. We have a message we need to get across to the people of Australia. The message is one of confidence and optimism.

We have had some hard years. The penalty of three years of gross labor mismanagement has been high. But the future looks good. The prospect before Australia is now one of greatly improved rates of economic growth. We are determined that this growth will benefit all sections of the Australian community. This will be achieved in a number of ways. The great resource developments are only part of a broad based revival of enterprise. This revival will lift real wages and salaries, provide hundreds of thousands of new jobs in the coming years and raise the living standards of Australian families.

Growth can also be used to lighten personal taxation, help families in need, and provide assistance to the weaker sections of the community. We must resist the Socialist fallacy that the way to spread the benefits of renewed economic growth is by even greater government intervention and more and more regulation. The reverse is the case. It is by making sure that individual Australians have the opportunity

to participate in economic development, either directly through investment and employment or indirectly through a share in the general prosperity it creates, that its benefits will be widely shared.

We welcome the investment of skills and capital from other countries. Our policies are directed to securing the maximum benefits for Australia and Australians from these investments. Our economic policy expresses the fundamental Liberal belief that the major role of government is to provide a stable and predictable framework for private decisions, making possible sound private judgments and encouraging private endeavour.

In our view this is not only the best way of achieving the objectives of most Australians. It is the only way, because it is the only way in which people can choose effectively the way of life they want. Over the last five years we have been re-asserting a Liberal and responsible role for government in the economy of the excesses after the Labor years.

This has influenced our attitude to each of the three main elements of government activity: to government spending, to the size of the bureaucracy and to the extent of regulation. The Government's objective has been to provide the room for private activity to strengthen and grow, and the conditions under which it is encouraged to do so. By policies aimed at rigorous control over spending, by limiting bureaucracy and reviewing unnecessary regulations, we have established - and are strengthening - the conditions for the growth now occurring.

Let there be no mistake. Control of Government spending has been a quite fundamental achievement of this Government. It has been the essential foundation for controlling inflation and expanding job opportunities. Over the last five years, the growth of Federal Government spending through the budget has been held to an average annual rate of about 1% in real terms. The average rate under Labor was 10%. Over the three years of Labor, Commonwealth spending through the budget rose from 24% of all incomes in the community (GDP) to 30%. During the last five years, we have cut the proportion back to under 28%. And with the current prospect of higher rates of growth, continued tight control of Government spending will further reduce the relative size of the Federal Government in the Australian economy.

Our success in cutting back the deficit has greatly eased the Commonwealth's demand for loan funds. In this way our policies have freed more resources to the private sector, the engine of Australia prosperity and economic strength. We have passed the ball to private enterprise which has now picked it up and is running hard.

In holding down the Government's claims, we are also opening up the only route to an easing of the personal tax burden, to higher real wages and salaries, to more jobs and to the creation of more resources to help those in need. Our tight controls on Government spending have been linked with a policy

of cutting back on the Federal bureaucracy. Our aim is leaner and more efficient government. Since 1975 we have reduced the number of Federal public servants under staff ceilings by over 10,000. Decisions soon to be announced will show that our determination in this regard has not weakened in any respect.

But while Commonwealth spending has been held back, while Commonwealth deficits and the size of the Commonwealth bureaucracy have been reduced, the same cannot be said of other levels of government. While employment in the Commonwealth sector decreased between June 1975 and June 1980, the States and their authorities added 95,600 workers to their payrolls. While the Commonwealth has reduced its competition with the private sector in financial markets by reducing the size of the deficit that needs to be funded, the States and local authorities have increased their requirement for borrowing and in 1980-81 are expected to require almost \$1,400 million more than in 1975-76.

Even allowing for desirable infrastructure programmes being undertaken by State authorities all levels of government must act now to relieve pressure on financial resources to make room for the private sector growth now occurring.

While the Commonwealth's spending on goods and services now uses a smaller proportion of the nation's total resources than it did 10 years ago, the use of resources by the States and local authorities has increased substantially. It is vital that as growth quickens, private enterprise be given room to grow. All levels of government must help in achieving this objective by curtailing their demand on financial resources.

Our third target in re-asserting a Liberal approach to Government has been to reduce Government regulation. Excessive regulation is counter-productive and inefficient, it distorts decisions, it weakens private enterprise and the community generally. Regulation and de-regulation are complex areas, and in easing the burden of regulation there must be a careful weighing of costs and benefits. We have already taken several important steps in the direction of de-regulation in the financial and banking area, and the Campbell Inquiry indicates our firm interest in exploring the benefits of further de-regulation.

De-regulation is part of the broader review of Commonwealth functions by the group which has been popularly dubbed the "Razor Gang".

This committee of Ministers has been examining the future of certain regulatory bodies, possibilities for further decentralisation of government functions and greater Commonwealth efficiency, and the extent to which, and the ways in which activities currently undertaken by government can be handed over to private enterprise.

The results of the work of this committee will shortly be announced and it will be an important further step in our reform of the role of government. The progress we have made in scaling down excessive government provides the foundation

for the growth and wider prosperity that now lie ahead.

Limiting the size of government has meant that we have been able to keep taxes under control. Many of our initiatives are now taken for granted. People forget that we have cut the marginal tax rate on the average wage earner from 44 cents in the dollar under Labor to the present rate of 32 cents, that we abolished death duties, that we introduced family allowances.

Let us also make sure that the community understands the dedication of the Liberal Party to helping those in our community who are in genuine need. By holding back spending in other areas, we have been able to protect and improve programmes designed to help the elderly, the sick and the disabled. Over the period of this government, age pensions have reached higher levels in relation to average weekly earnings than at any time in the last 25 years.

We are now spending over \$1 billion on overall assistance to the handicapped - more than double the amounts of five years ago and a very substantial increase in real terms.

Money alone is not the measure of our concern, and in mentioning these figures I do not suggest that it is. But the contribution of this Government has greatly helped the position of those in need in our community. Our record is worthy of a political party with a philosophy of concern for the individual. Party members have a responsibility not only to recommend improvements in the this area, but also to tell the community how much has been done.

Our philosophy is concerned with all those matters which affect the capacity of individuals to lead satisfying lives. Our policies have expressed, and will continue to emphasise, these broad concerns. Take the case of the environment. Our magnificent countryside, with its unique plants and animals, is one of the great treasures of this planet. The pressures on it are great, and there will always be some tension between the need for development of our resources - especially the energy resources - in the interests of mankind, and protection of the natural environment.

Our commitment to effective conservation of irreplaceable elements of the Australian environment has been a high priority. Take our decision to prohibit sand mining on Fraser Island. We resisted intense pressure, because we believe that this remarkable island should be preserved. The protection of Fraser Island is only one of our major achievements.

We established the great Kakadu National Park, passed the Whale Protection Act of 1980, established the Marine Park in Capricornia on the Barrier Reef, have strongly resisted mining on the Reef, have signed the new treaty protecting Antarctic seals, and are considering new legislation on the protection of endangered species.

There are many people who have spoken about the environment. We have acted. I venture to say that our record on conservation exceeds that of any previous government in Australia's history. It is a record on which we are determined to build.

I also mention here our actions to strengthen the growth of a united but diverse multicultural society in Australia. Our policies in this area are outstanding in their quality and impact. Arising out of the Galbally Report on migrant services and programmes we committed \$50 million over three years to extend and upgrade migrant services and programmes. Our initiatives include a substantial programme on special English language instruction, encouragement to multicultural education, and a programme to establish migrant resource centres.

Undoubtedly one of our most visible achievements here has been the establishment of a multicultural television service unique in the world. To provide high quality research on multiculturalism we have established the Institute of Multicultural Affairs.

Our programmes are unprecedented in their scope and are now gaining the recognition they deserve. These achievements are part of the message that we need to get across to the people of Australia. But they are important for the future because they demonstrate the concern of the Liberal Party in all its policies with building a strong free society based on respect for individual people and opportunities for people to grow as individuals and to contribute to their community.

I believe that what we want to build into the Australian way of life over the next few years are further increases in opportunities and the security which makes people confident that they can use these opportunities. That is why a prime objective of our policies has been to create conditions in which a burgeoning private enterprise can provide job opportunities for all who want to work. It never has been - and never will be - the policy of the Liberal Party to buy reductions in inflation with higher unemployment. The Government's determination to solve the unemployment problem has been a fundamental and integral part of our total approach to economic recovery.

Many of those who talk loudest about employment have little idea about where real jobs come from. The truth is that our policies, directed to encouraging private enterprise are the only way that secure job opportunities can be provided for all Australians who want to work. It is no accident that in the last two years more than a quarter of a million jobs have been added to the economy. Nor is it an accident that the level of unemployment in January of this year was the lowest January rate for four years. Nor is it an accident that in 1980 employment opportunities grew more rapidly in Australia than in the United States, the United Kingdom, Germany or Japan. We resisted the shortsighted approach, and the value of our policies is becoming increasingly plain.

The task here now is to ensure that those seeking jobs are equipped with knowledge and skills to take advantage of the expanding opportunities. In January, Ian Viner and Wal Fife announced that the Government was examining as a matter of urgency further ways of increasing the opportunities available for under 18 year olds in education, training and employment. It is the view of the Government that Australia should be able to do much better by its young people wanting work than it is presently doing. More than 200,000 young people will be assisted by existing employment and training programmes this financial year. By giving young people a relevant training, we will give them hope as well as skills.

And granted that employment is increasing at the same time, it is plain that our policy is the most compassionate as well as the most effective. No political movement in Australia has a more constructive and comprehensive approach to the challenge of creating employment opportunities than the Liberal Party.

It is now clear that our policies are outweighing the destructive effects of the Labor shock of 1974/75 and the continuing attack on employment from the militant unions. It is because we care about individual people that we resist the efforts of irresponsible union leaders to impose suffering on innocent people for their own selfish ends. It is because we care about individuals that we will be strongly resisting pressures to impose damaging cost increases on industry through the 35 hour campaign and rapidly rising wages.

Nothing is more destructive of the employment opportunities of our young people than the job-destroying activities of the militant unions and of these campaigns.

It needs to be understood that the former president of the ACTU was the architect of both campaigns. The architect therefore of campaigns designed to destroy jobs within Australia if not by deliberation, that can only be their effect. As we showed in the Qantas dispute, we will not tolerate divisive and confrontational tactics of this kind. You know it is not the Government that has ever confronted the Australian community or trade unions in this matter. It is trade unions that have confronted time and time again the well-being of the Australian community, the interests of ordinary Australians as they go about their lives and whether it is a power strike, or the Builders Labourers' or the Transport Workers' Union, whether it is shutting down Qantas. In these things it is trade unions who confront the better interest of ordinary Australians in every corner of this land.

As the elected representatives of the whole people we in the Government stand for the public interest and its defence is our constant obligation and objective. This is a time when we all need to think very seriously about our obligations as Australians. If there is a recognition of what we owe to our fellow citizens the future of this country is limitless.

It is the unrestrained pursuit of self-interest that we see so clearly in some of the abhorrent tax-avoidance schemes which have become public, as well as in the cynical pursuit of power by extremist union leaders, that clouds our future.

We are prepared to take the full force of the law to combat the abdication of community responsibility evident in such behaviour. But we all know that the real solution lies in a strengthened recognition throughout the community of what is responsible and moral behaviour in dealings with one's fellow citizens.

In private and in public we must place greater emphasis than ever before on the moral standards of respect for others that lie at the heart of Liberalism and, I believe, at the heart of the values of the great majority of the Australian people. The Liberal Party is prepared to stand up for these values.

In the first five years of this current Liberal government the foundations for a new sense of confidence in Australia's future has been laid. This confidence has come about, I believe, because it is understood that we govern in accordance with a philosophy which places individuals first - a philosophy which looks to the development of a spirit of community and co-operation.

It is this sense of knowing what the Liberal Party stands for that gives security to people. Security and predictability provides the capacity to plan for the future. Out of it grows the kind of mounting prosperity and awakening hope that we see around us today.

Security and stability are of course also the conditions under which we, as Liberals, work for responsible and reasonable reform. The reform of the role of government in a Liberal direction after the Whitlam years has been our great continuing task, and will continue to be so.

Accompanying this have been valuable legal reforms - the Ombudsman, the Administrative Appeals Tribunal and Family Law Court, the new Federal Court, and passage of the Administrative Decisions (Judicial Review) Act.

Many of you will be glad to know that the Human Rights Commission Bill is through the Senate. I very much hope that it will shortly be passed, without impairment, in the House of Representatives as well.

Victorian Liberals have made an important contribution to these reforms and I know they will continue to play an important role in reform to expand individual rights and freedom.

The Liberal Party since 1975 has established a proud record in Federal Government. It has given a decisive voice in Australia's affairs to those who believe in the vision of a nation strong because its people can develop their abilities, build their own lives, defend their freedom and recognise their obligations.

In the next three years we will carry this banner with greater determination than ever. The Liberal Party must continue to be the main force in Australia for responsible Liberal policies. In that it will need the support of all its members.

The record of the Liberal Party is matched only by our determination to make an even better future for this country. Party members are entitled to be proud, strong ambassadors for the Liberal cause. I ask for your continued advocacy to make sure that the people of this country understand that Australian Liberalism offers a way of life without equal in the world.

That is the challenge that lies before us all - a challenge which we must meet in the interests of every Australian, and every Australian family.

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